

READ the article below and answer these questions.

1. WHY are young people not able to make their mobile phone payments?

2. What would the Minister like to include with mobile phone contracts and why?

DISCUSS your responses with the class.

TALK ISN'T ALWAYS CHEAP

By *Katrinia Adamski*

Lisa Zaccagnino, 16

Suburb: Punchbowl
Who bought the phone? Dad
Why? Safety
Monthly calls? About 50
Average bill? \$60 of prepaid calls a month
Who pays? I do. Because I work.

Michelle Bernardinis, 15

Suburb: Crows Nest
Who bought the phone? I did
Why? To keep in touch with friends
Monthly calls? About 250
Average bill? \$100 a month
Who pays? I can afford it because I work, but I have to cut down.

Nick Thompson, 15

Suburb: Wahroonga
Who bought the phone? Dad
Why? Safety
Monthly calls? About 100
Average bill? \$80 a month
Who pays? I work so I save to pay the bills.

Darren McKenzie, 16

Suburb: Wahroonga
Who bought the phone? Parents
Why? So they'd know where I was
Monthly calls? About 70
Average bill? \$25 to \$65 a month
Who pays? Parents, although Darren works and says he could afford the bill.



Mobile phones are trapping children as young as 14 in a spiral of debt.

The Communications Law Centre in Melbourne surveyed 750 people in NSW and Victoria and found 28 per cent of people aged 14–17 and 36 per cent of people aged 16–24 own or have sole use of a mobile phone.

But 18 per cent of users found it difficult paying the bill, 7 per cent were struggling with the bills and 17 per cent were anxious or depressed about their payment difficulties.

Yet phone companies are using cartoon characters, popular actors and all shapes, sizes and colours of phones to attract more young users.

The NSW Juvenile Justice Minister and Minister Assisting the Premier in Youth, Carmel Tebbutt, has criticised communications carriers for selling phones to young people who cannot pay the bills.

She said the carriers should provide a one-page summary of contract details in plain English to ensure conditions were understood.

Ms Tebbutt wants Federal Communications Minister

Richard Alston to look into the matter because the Commonwealth is the regulatory body for carriers.

“One of the main problems identified in the study is the difficulty young people have in understanding financial commitments they are getting themselves into, said a spokesman for the minister.

“Young people can be easily drawn into debt because the up-front charges for buying a phone are quite cheap.

“There are always personal responsibilities, but it is also the responsibility of the service provider to be up front.”

The report found 11 per cent of those surveyed did not read their mobile phone contract, while 7 per cent read it but did not understand it.

A further 11 per cent of young people had already been in a dispute or disagreement with their telephone company.

Optus, Telstra and Vodafone agreed to look at the one-page summary which Ms Tebbutt proposed. Vodafone corporate communications general manager Michelle Hindson said Vodafone’s contracts

were already just one page, but the company was happy to look at new ways to address concerns.

“We were the first company to introduce pre-paid phone calls, which is the only controllable way for people on budgets or students to have a phone,” she said.

An Optus spokeswoman said the company did not sell mobile phones to people under 18 unless they were earning an income or had a parent or guardian as a guarantor.

She also suggested young people should buy a pre-paid phone so they could not run up a debt.

The proposed one-page summary tied to a phone contract would include:

- The real cost of the contract
- The duration of the contract
- The penalties that may apply if the contract is terminated before its term expires
- The actual call charges
- The frequency of payments
- What organisation to contact if the buyer is unhappy with the service or contract terms. ◀